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July 13, 2017

TO: Appointing Authorities, Personnel Officers and Unions Representing State Employees

FROM: Guy Krause, Acting Director 

SUBJECT: Fiscal Year 2019 Pay Plan Recommendations

Attached, please find a copy of the Personnel Advisory Board's Pay Plan Recommendations for Fiscal Year 2019 as provided to Governor Greitens on July 11, 2017.

The Board's focus this year is on merit-based salary increases; statewide within-grade increases based upon tenure; and a 2.9% General Structure Adjustment. The Board also expresses support for implementing recommendations from the 2016 Total Compensation Study. Lastly, the Board's recommendations include several class-specific elements including repositioning, targeted within-grade salary advancements, and differentials.

The Board's recommendations will hopefully contribute to a long-range compensation approach that is competitive with the labor market and provides recognition of the contributions of State employees.

Attachment

FY 2019 PAY PLAN RECOMMENDATIONS

THE 2016 TOTAL COMPENSATION STUDY

THE IMPACT OF PAY COMPRESSION

WITHIN-GRADE SALARY ADVANCEMENTS (MERIT-BASED)

WITHIN-GRADE SALARY ADVANCEMENTS (TRADITIONAL)

GENERAL STRUCTURE ADJUSTMENT

REPOSITIONING

TARGETED WITHIN-GRADE SALARY ADVANCEMENTS

DIFFERENTIALS

TOTAL ESTIMATED COSTS

The 2016 Total Compensation Study

CBIZ Human Capital Services (“CBIZ”) was engaged by the State of Missouri (“State”) to conduct a comprehensive compensation study for its employees, including a review of current compensation practices, an update of the compensation plan and a benefits analysis.

In order to assist the State in implementing a compensation system that considers both market and internal factors, CBIZ matched the State’s positions to the public and private labor market, developed a new proposed salary structure, and calculated the cost of implementing the recommendations. In addition to evaluating base salaries at the State, CBIZ assessed total cash compensation and competitive benefits levels.

As a part of this process, the employee data reflected the two percent general structure adjustment that took effect on July 1, 2016.

The summary of the findings from CBIZ are as follows:

- Base salary is, on average, 10.4% below the recommended salary structure range midpoints, which approximates the published survey data market median.
- Total cash compensation (the sum of base salary and incentives, the latter of which the State does not provide) is, on average, 12.6% below market.
- The benefits offered by the State are 19.7% above market and improve the overall market position of the State. However, State employees remain 4.6% below market when totaling base salary, incentives, and benefits.
- At the time the study was released, the original cost to adjust compensation to the threshold of market competitiveness, identified as the minimum of the proposed pay ranges, was \$13,690,388, based on 5,050 State employees being paid below the proposed pay range minimums. Since the study was completed, changes to the workforce have impacted the approximate cost of implementation of the recommendations. As of 6/15/2017, the data indicates that 5,175 State employees are being paid below the proposed minimums, and it would cost \$14,194,274 to

increase the salaries of these employees to the bottom of their respective proposed pay ranges. \$8,230,805 of the \$14,194,274 is allocated from the General Revenue fund.

- According to the study, Missouri ranked last among the 50 states in average employee pay. CBIZ focused on the broader market for most of the analysis.

Some of the recommendations CBIZ proposed include the following:

- Increase the compensation of all employees to the minimum of their respective proposed salary ranges. The range minimum represents the level at which entry-level pay can be considered market-competitive.
- Implementation of the compensation plan should occur uniformly across all positions. While different implementation scenarios may recognize budget constraints, partial or sporadic implementation can result in pay equity issues.
- Update salary structures annually. In order to reduce the administrative burden associated with salary structure maintenance, CBIZ will provide revised factors that will allow the State to update the recommended salary structures for five years after the study.
- Move away from steps to open ranges. Open ranges align with market norms, offer less administrative burden and can even provide cost savings to the State. Step systems are a rigid, antiquated approach to compensation administration that offer limited flexibility and can be expensive due to rounding pay to the nearest step.

The Personnel Advisory Board (Board) supports the goals of these recommendations and believes that they will help to bring the State of Missouri forward with more modern, streamlined, competitive approaches to employee compensation.

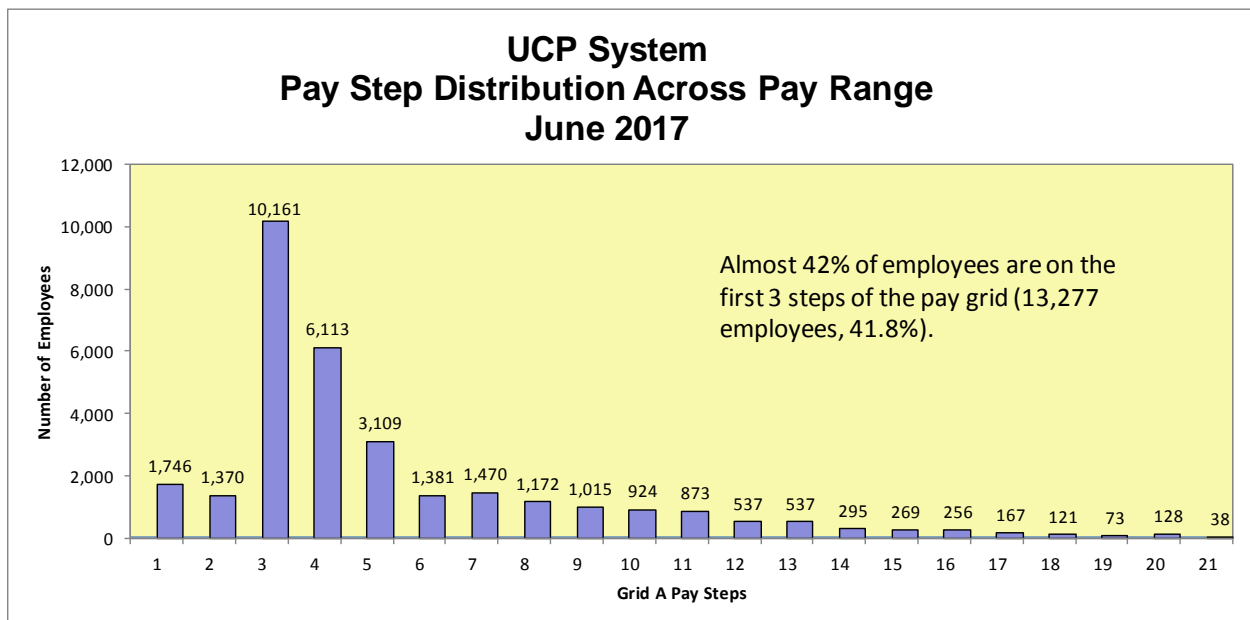
Although, to date, CBIZ has not provided the first annual revised factors mentioned above, the Board feels strongly that time is of the essence for implementing the recommendations of the CBIZ Study. Particularly since there were no Statewide pay increases appropriated for FY2018, it seems very likely that compensation levels of State employees will fall even further behind market levels.

While the Study recommendations state that “[i]mplementation of the compensation plan should occur uniformly across all positions,” the Board recognizes that fiscal constraints may prohibit this type of “big bang” approach. Nevertheless, the Board strongly advocates for taking immediate cost-neutral steps to implement the recommendations. The Board supports legislative changes to enable the use of open, stepless ranges for Uniform Classification and Pay (UCP) job classes. This important systemic change would modernize administration of pay within the UCP system and would allow the cost-neutral transition of 501 UCP job classes to the ranges recommended by the Total Compensation Study. These job classes represent those with current incumbents already paid within the new recommended range for the job class. The Board hopes that additional job classes would be converted to the recommended ranges just as soon as funds could be made available to move employees up to the minimum of the recommended pay range for their respective job classes. Ideally, this step could also occur during FY2019.

The Impact of Pay Compression

The lack of any Statewide within-grade, or step, increases over the past seventeen years has created a situation in which employees with up to seventeen years of experience make exactly the same pay as employees who recently completed their probationary period. Approximately 42% percent of Missouri State employees are on the first three steps of their pay range—despite the fact that the grid averages nineteen steps per range. This situation, where the pay rates of a large group of employees are virtually the same, is known as low-end pay compression.

The chart below illustrates the distribution of employees within the UCP System across their assigned pay ranges.



In order to illustrate this concept more specifically, the following charts provide more detail related to job classes and employees assigned to pay Range 17 on the UCP A Grid. Range 17 is one of the more commonly used ranges within the UCP System and represents a broad spectrum of work areas. The following analysis of this pay range is provided for clarification only and the focus on this range is not suggesting that it is any worse than other ranges within the UCP System.

The chart below lists those UCP job classes that are currently assigned to Range 17.

Classes Assigned to UCP Range A17

<u>Class Title</u>	<u>Class Title</u>
Academic Teacher I	Locksmith
Administrative Analyst I	Military Security Officer I
Agriculture Market Reporter	Motor Vehicle Mechanic
Appraiser I	Painter
Carpenter	Plumber
Child Support Specialist	Recreation Officer I
Claims Specialist I	Reimbursement Officer I
Computer Operator II	Seed Analyst II
Contributions Specialist I	Sheet Metal Worker
Corrections Classification Assistant	Taxpayer Services Representative II
Electrician	Telecommunications Technician I
Family Support Eligibility Specialist	Veterans Service Officer
Food Service Manager I	Vocational Enterprises Supervisor II
Habilitation Specialist I	Weights & Measures Inspector I
Health Information Technician II	Workforce Development Specialist I
Institutional Activity Coordinator	
Librarian I	

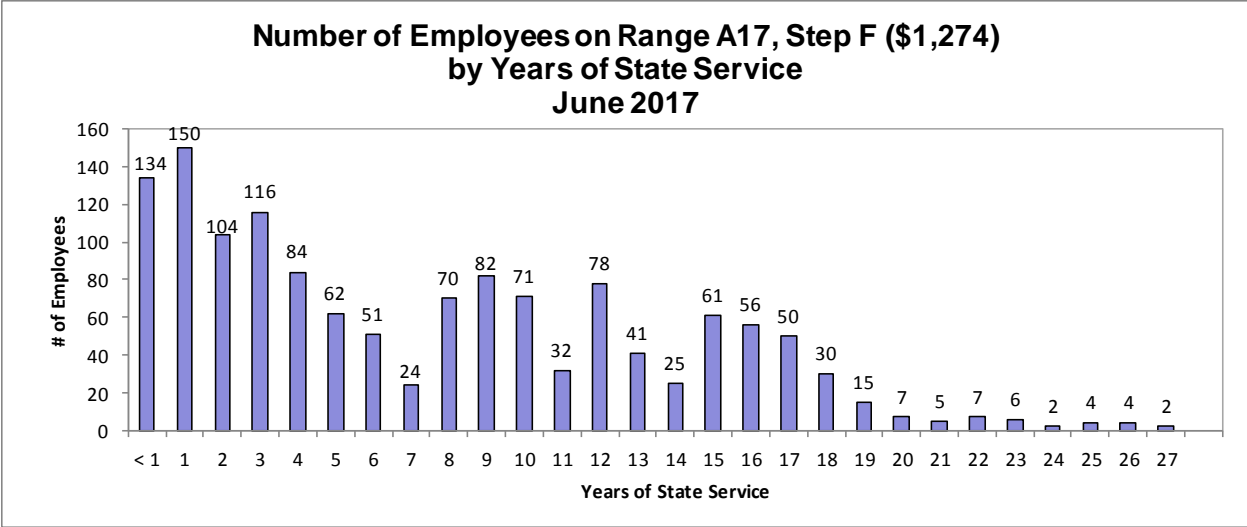
Further examining the distribution of salaries for employees assigned to Range 17, the chart below shows the number of employees assigned to each particular step (D through W) in Range 17.

Range	D	E	F	G	H	I	J	K	L	M
A17	\$1,232.50	\$1,253.50	\$1,274.00	\$1,293.00	\$1,317.00	\$1,339.50	\$1,362.00	\$1,386.50	\$1,410.00	\$1,434.00
Employee Counts	107	0	1,373	59	90	154	156	83	111	78

Range	N	O	P	Q	R	S	T	U	V	W
A17	\$1,460.00	\$1,485.00	\$1,511.50	\$1,538.50	\$1,567.50	\$1,596.00	\$1,625.00	\$1,654.50	\$1,684.00	\$1,716.00
Employee Counts	78	37	21	11	11	10	6	9	0	5

Of the 2,399 employees assigned to UCP Range 17 as of June 15, 2017, approximately 62% were paid on the first three steps of the range (Steps D, E or F).

As shown in the previous chart, 1,373 of the 2,399 employees are paid on the third step (Step F) of Range 17. The chart below shows the impact of compression by showing the years of service of all the employees paid on Range 17, Step F. Despite years of service ranging from less than one year to 27 years, all of these employees are paid the exact same rate (\$1,274 per semi-monthly pay period).



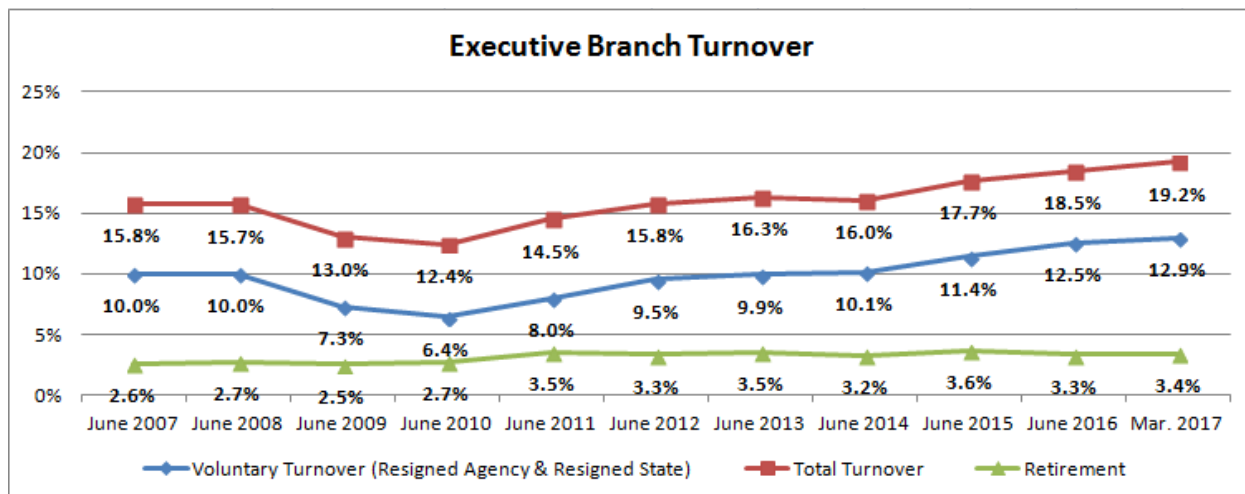
No Statewide within-grade, or step, salary advancement has been appropriated since July 1, 2000. The only within-grade increase for employees hired after that date may have been the customary two-step increase for successfully completing their probationary period, or an occasional targeted within-grade increase for specific job classifications like Corrections Officers. Due to budgetary constraints, even end of probation increases have not always been possible. Thus, we may have proficient and trained employees with many years of service with the State who receive the exact same salary as co-workers with less than a year of service who have just completed their probationary period.

Typically, as employees acquire experience and proficiency in their jobs, they are more valuable to the organization than when they were first hired. This value should be reflected in salaries. Unfortunately, this practice is not always the case for the State of Missouri.

This situation potentially leads to morale issues, as employees may feel under-valued and under-appreciated. Employees can easily feel that their job commitment, knowledge and experience remains unrecognized from a compensation perspective. The most recently hired employees are, or soon will be, making exactly the same salary even though some may lack the same level of experience.

This situation threatens Missouri’s ability to retain its best employees. Employees can see that they have little hope of progressing salary-wise and, as the economy improves, many may seek to leave State employment for better paying jobs. Many State employees have salaries near the bottom of their assigned pay range. Without within-grade salary advancement, those salaries will remain near the bottom.

The following chart shows the trend in total turnover, total voluntary turnover, and retirement for the Executive Branch of the State of Missouri over the past several years:



This situation may also impact the State’s ability to effectively recruit new employees. Applicants may see the history of the lack of increases and decide that working for the State of Missouri will lead to reduced future earnings throughout their careers. The State may experience problems in filling positions, may be forced to fill positions with candidates who possess marginal qualifications, or even worse, be forced to reduce the minimum qualifications for job classes in order to be fully staffed. Examples of classes in which minimum qualifications have been reduced in the last 5 years include:

- Accounting Specialist II and III
- Aging Program Specialist I and II
- Corrections Officer I and II
- Fire and Safety Specialist, Coordinator
- Nutritionist III and Nutrition Specialist
- Personnel Clerk
- Supply Manager II

The lowering of the minimum qualifications weakens the candidate pool and makes hiring quality candidates even more difficult.

Within-Grade Salary Advancements (Merit-Based)

One option for moving employees through their respective pay ranges and addressing low-end pay compression is to provide for within-grade increases based on performance.

Appointing authorities currently have the discretion to approve salary increases and reward key performers when resources are available. However, for quite some time, taking this approach has required an appointing authority to “find” these resources within core budgets. The regulations provide for these types of increases both at a Uniform Classification and Pay (UCP) system level and at the discretion of individual appointing authorities. The regulations, in 1 CSR 20-2.020 (4) (B) 2 and 3, provide for these types of increases for most employees within the UCP system.

1 CSR 20-2.020 (4) (B) 2. and 3.

(4) Administration. The implementation and ongoing administration of the pay plan shall be conducted in a manner which promotes equitable pay relationships and the efficient and effective practice of personnel administration. Appointing authorities shall have a responsibility to exercise the discretion included in these rules in a manner which avoids inconsistent, arbitrary or discriminatory pay actions. The pay plan shall be administered in accordance with the following provisions:

.....

(B) Salary Advancements. Salary advancements within the pay range for the class occupied by an employee are of three (3) types: probationary salary advancements, specific salary advancements authorized during a fiscal year and discretionary salary advancements, administered in accordance with the following provisions:

.....

2. Within-grade, market progression or other specific salary advancements which are only authorized during a fiscal year when specific funding has been appropriated for all agencies. When such funding is approved and appropriated by the legislature, the Personnel Advisory Board will issue guidelines and instructions for implementation of these provisions. Within-grade, market progression or other specific salary advancements may be for one or more steps or for varying amounts or percentages within the range for the class, and may be based on length of total state service, performance appraisal, time in class, relative market position within the range, or any combination of these or other factors;

3. Discretionary salary advancements may be granted by an appointing authority as warranted by the needs of the service, except that the appointing authority shall have a responsibility to exercise this discretion in a manner which avoids inconsistent, arbitrary or discriminatory pay actions. For positions in the classified service, discretionary salary advancements cannot be given during the probationary period, unless approved by the director of the Division of Personnel in cases where it does not affect competitive appointments that would compromise the selection group as enumerated in 1 CSR 20-3.030(3)(A);

Similar language provides this flexibility for those employees in broadbanded management positions. In addition, appointing authorities are given flexibility to provide conditional increases for employees in broadbanded management positions. See subsection D. below.

1 CSR 20-2.015 (3) (B) 2. B., C. and D.

(3) Compensation Structure. The director will recommend to the board establishment and adoption of pay bands as considered necessary and equitable in order to group and maintain positions with similar levels of management responsibility or expertise. The provisions of 1 CSR 20-2.020 The Pay Plan are applicable in the preparation, adoption, maintenance, and administration of the pay plan for broad classification bands, except as specifically outlined in this section or necessary for implementation.

.....

(B) Administration. The implementation and ongoing administration of pay within the broad classification bands shall be conducted in a manner which promotes equitable pay relationships and the efficient and effective practice of personnel administration. When the meaning and purpose of a rule is not otherwise affected, the term band may replace range. Appointing authorities shall have a responsibility to exercise the discretion included in these rules in a manner which avoids inconsistent, arbitrary, or discriminatory pay actions. The pay plan for the broadbanded system shall be administered in accordance with 1 CSR 20-2.020 and the following provisions:

.....

2. Salary advancements. Salary advancements within the band occupied by an employee are of three (3) types: probationary salary advancements, specific salary advancements authorized during a fiscal year, and discretionary salary advancements, administered in accordance with the following provisions:

.....

B. Within-grade, market progression, or other specific salary advancements within the pay bands, which are only authorized during a fiscal year when specific funding has been appropriated for all agencies, will be implemented in accordance with guidelines and instructions issued by the board;

- C. Discretionary salary advancements may be granted by an appointing authority as warranted by the needs of the service. For classified positions in the broadbanded service, discretionary salary advancements cannot be given during a probationary period, unless approved by the director of the Division of Personnel in cases where it does not affect competitive appointments that would compromise the selection group as enumerated in 1 CSR 20-3.030(3)(A); and
- D. In the broadbanded management service, a conditional salary advancement is a discretionary within-band advancement associated with the assignment of higher level duties or responsibilities of a permanent nature. At the discretion of the appointing authority, and without appeal to the Administrative Hearing Commission, such higher level duties and responsibilities and the associated conditional salary advancement may be withdrawn within a period of time not to exceed twenty-four (24) months as specified by the appointing authority. When a conditional salary advancement is established, the appointing authority will provide the affected employee with written notice describing the conditions under which the advancement is given and the time frame during which it can be withdrawn.

The State of Missouri does have some precedent for funding merit increases through the appropriations process. For several years (FY1975 through FY1981, and FY1983), the appropriations process included funds for merit increases for select employees. These appropriated amounts were generally one percent of personal services budgets. During two of these years, 1.5% was appropriated for merit increases.

For FY1990, funding was provided for within-grade (step) increases. However, at that point, increases were given to all employees with 18 months of service and successful performance. From that time forward, within-grade increases, when they have been appropriated, were given on a broader basis. The last Statewide within-grade increase occurred effective July 1, 2000.

Although implementing Statewide merit increases presents some challenges, the Board is supportive of this concept. The Board has advocated for compensation policies that help move employees through their respective pay ranges for many years. In recent years, the proposed approach has been to fund Statewide within-grade increases based on tenure and successful performance. The Board is also open to a more selective approach.

The Board recommends an investment in merit-based pay for FY2019. The Board recommends an investment of at least 1% of personal service budgets. This would allow agencies to provide increases to their best performers while remaining within the parameters of the regulations. In conjunction with a general structure adjustment and/or a market-based or service-based within-grade increase (see pages 7 through 10 for more information on these concepts), merit increases would help to move employees through their respective pay ranges while incentivizing employees to perform at their very best.

Within-Grade Salary Advancements (Traditional)

Since FY1990, any Statewide within-grade increases provided to employees have generally been tied to at least successful performance and some length of service requirement. The Board continues to support this approach as another method to move employees through their respective pay ranges and help address low-end pay compression.

No Statewide within-grade salary advancement has been granted to Missouri employees since July 1, 2000. Currently, almost 42% of Missouri State employees within the UCP system remain on the bottom three steps of their pay range. The significant low-end pay compression now experienced by Missouri State government is the result of this lack of consistent within-grade salary advancements. General Structure Adjustments alone perpetuate low-end pay compression.

Custody staff and Probation and Parole Assistants for the Department of Corrections and Security Aides for the Department of Mental Health were granted job class-specific within-grade increases by the legislature in the FY 2009 (July 1, 2008) budget. This allowed many of these employees to advance to the fourth step of their assigned pay range. Approximately 62% of State employees are paid on the first four steps of their pay range.

The Board is recommending a two-tiered within-grade approach for FY 2019. It is hoped that this approach will take moderate, yet meaningful, steps to address low-end pay compression. From an employee perspective, the most significant compression issues are felt by employees who have been with the State for a number of years but may not have received a step increase beyond their initial end of probation increase. In order to directly target this situation, the Board recommends that employees with table-driven pay (paid on a range and a step) with at least seven years of State service should receive a two-step increase. A one-step increase is recommended for all employees with less than seven years of State service. Due to significant variance in the percentages between some of the steps, it is understood that the actual increases received by these employees will vary based on the particular range and step that each employee is currently paid on.

Similarly, for employees whose pay is non-table driven, the Board is recommending a 1.7% increase. Further, for those employees with at least seven years of State service and whose pay is non-table driven, the Board is recommending an additional 1.7% increase. This approach strives to balance costs with the need to address low-end pay compression. Applying both parts of this recommendation, all employees with non-table driven pay would receive a 1.7% increase and employees with at least seven years of experience with the State would receive a 3.4% total within-grade increase.

General Structure Adjustment

An important compensation component relates to the ability to maintain the overall competitiveness of the pay plan. This is primarily accomplished through the use of the General Structure Adjustment (GSA). The GSA is often described as a “cost of living” adjustment. While the cost of living is a factor in determining the amount of the GSA, the adjustment should not be considered solely as a cost of living increase. The primary purpose of the GSA is to maintain the competitiveness of the pay plan relative to other employers.

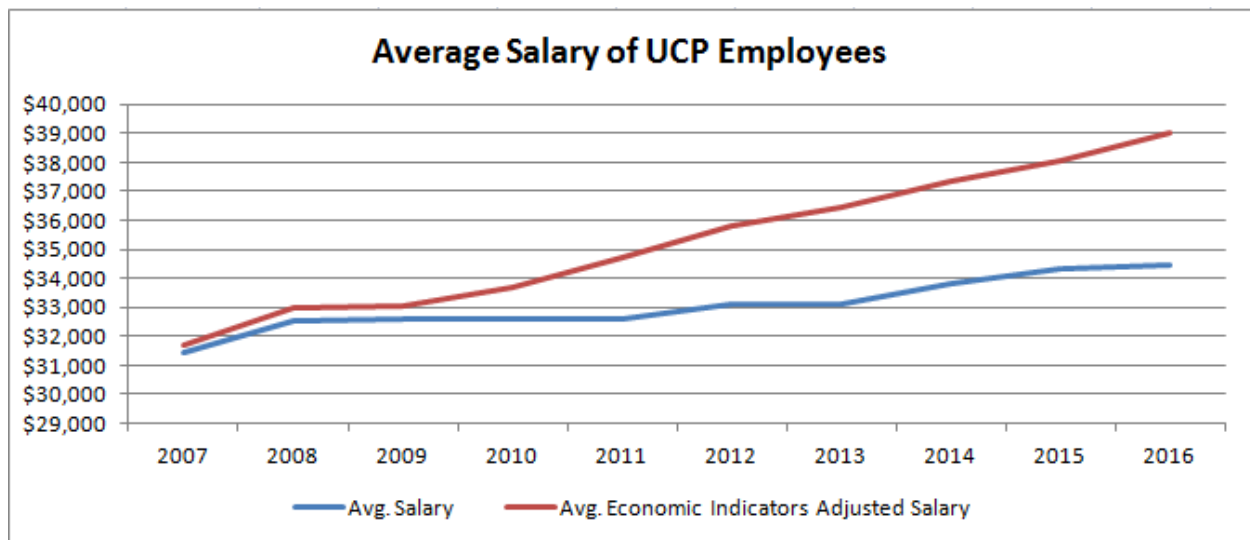
Historically, the GSA has involved an adjustment to the pay grids themselves. Virtually all employees benefit from this type of increase. Only temporary and seasonal workers are not automatically included. Their increases, if any, are determined by each agency.

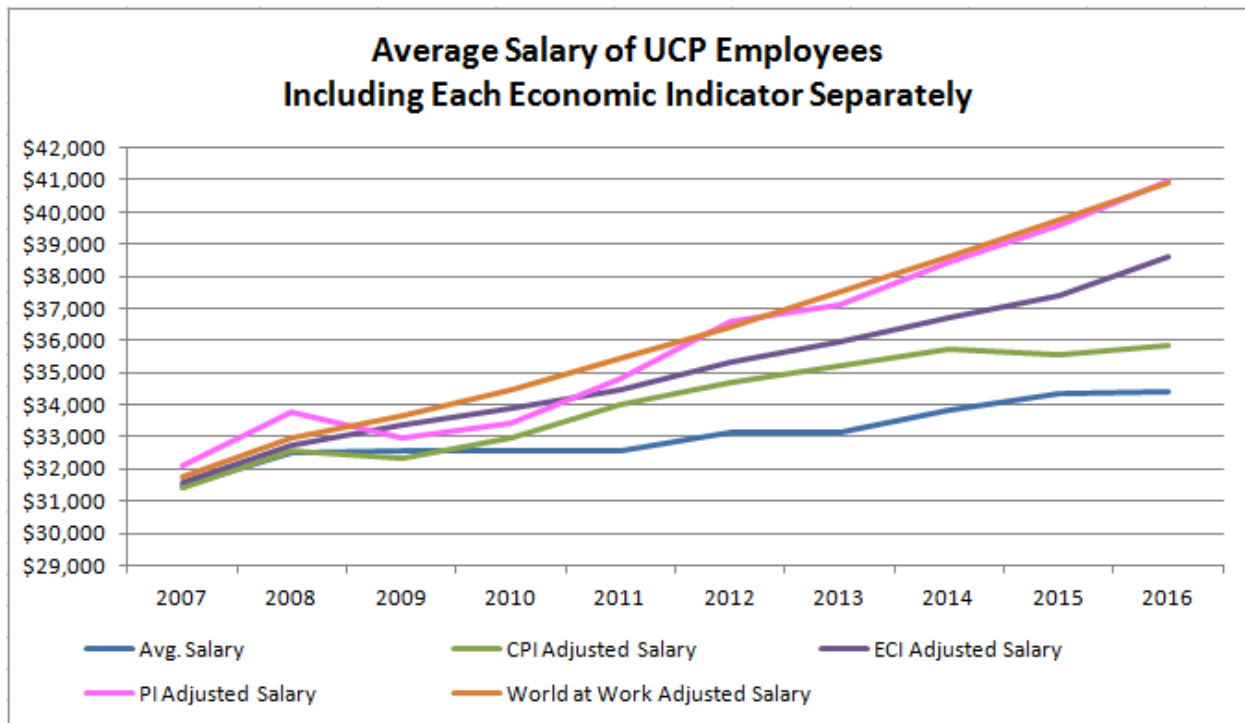
The recommended GSA adjustment is an average of four consistent indicators. These indicators include: the Consumer Price Index (CPI), the Employment Cost Index (ECI), the World at Work Salary Budget Survey and Personal Income (PI) data for the State of Missouri. The following table represents the most current data from these indicators:

General Structure Adjustment Economic Indicators	Percentage
<u>Consumer Price Index (CPI-U)</u> U.S. Department of Labor, Bureau of Labor Statistics All Urban Region Consumers (Midwest) Increase for month ending May 2017 over May 2016	1.4%
<u>Employment Cost Index (ECI)</u> U.S. Department of Labor, Bureau of Labor Statistics Midwest (West North Central) Region for Private Industry Workers Wages and Salaries (excludes Benefits) Increase for quarter ending March 2017 over March 2016	3.6%
<u>World at Work Salary Budget Increases</u> Actual Average for 2016 for Non-Exempt Salaried Workers August 2016	2.9%
<u>Personal Income (PI)</u> U.S. Department of Commerce, Bureau of Economic Analysis State of Missouri Increase in Personal Income for quarter ending March 2017 over March 2016	3.5%
Average of the Indicators Listed (Rounded to the nearest tenth)	2.9%

Based on the current indicators as presented in the above table, the Board recommends a 2.9 % increase in the GSA as being appropriate.

As shown in the following charts, the average salary of UCP employees has not kept pace recently with the average of these economic indicators, nor with any of these economic indicators separately.





Repositioning

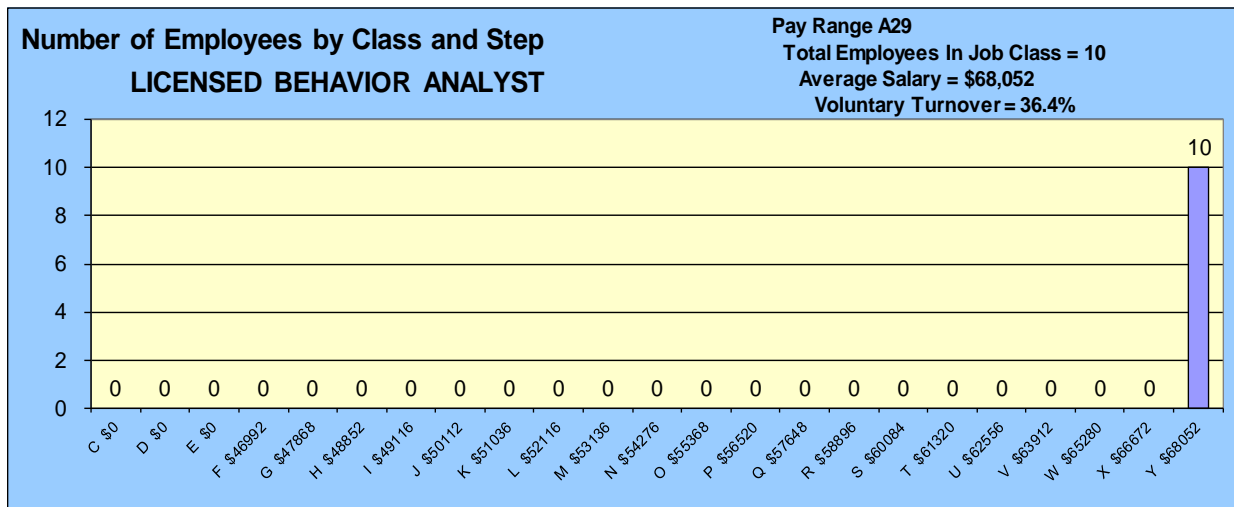
Repositioning is the assignment of a job class to a higher pay range. It is an element of the pay plan designed to address inequitable pay situations, both internally and externally. Repositioning is a possible solution when the pay of a job class is low relative to pay rates of other employers in the labor market, when the distribution of employees in the job class is weighted towards the top of the pay range, and when turnover within the job class is high.

After evaluating input from key stakeholders, nineteen job classes are recommended for repositioning. Some of these repositioning recommendations were similar in the FY 2018 Pay Plan Recommendations.

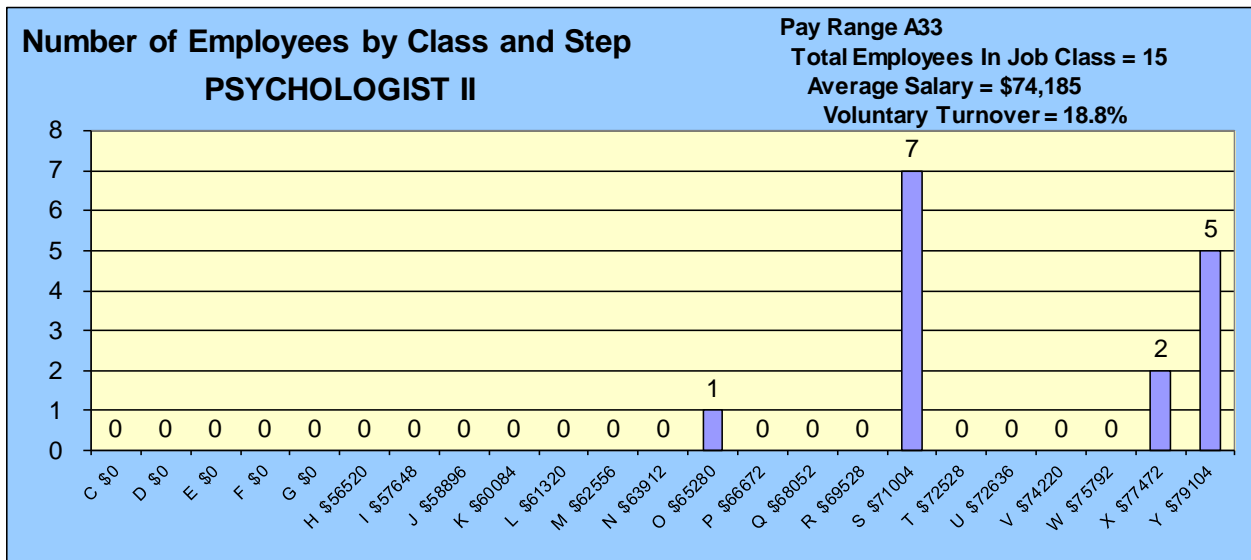
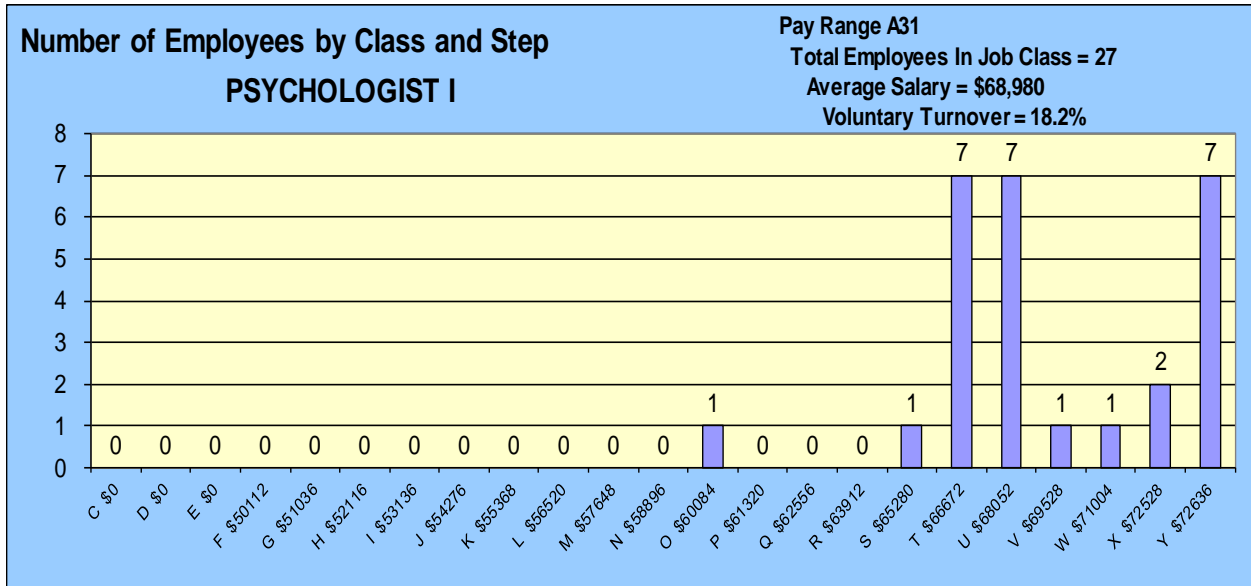
- LICENSED BEHAVIOR ANALYST (Repositioning from Range 29 to Range 30)
- PSYCHOLOGIST I (Repositioning from Range 31 to Range 32)
- PSYCHOLOGIST II (Repositioning from Range 33 to Range 34)
- REGISTERED NURSE (Repositioning from Range 74B to Range 27)
- REGISTERED NURSE SENIOR (Repositioning from Range 77 to Range 30)
- REGISTERED NURSE-CLINICAL OPERATIONS (Repositioning from Range 80B to Range 33)
- REGISTERED NURSE SUPERVISOR (Repositioning from Range 80B to Range 33)
- LICENSED PRACTICAL NURSE I (GENERAL) (Repositioning from Range 64B to Range 16)
- LICENSED PRACTICAL NURSE II (GENERAL) (Repositioning from Range 65B to Range 17)
- LICENSED PRACTICAL NURSE III (GENERAL) (Repositioning from Range 68B to Range 20)

- YOUTH GROUP LEADER (Repositioning from Range 20 to Range 21)
- PSYCHIATRIC TECHNICIAN I (Repositioning from Range 57 to Range 9)
- PSYCHIATRIC TECHNICIAN II (Repositioning from Range 60 to Range 12)
- PSYCHIATRIC TECHNICIAN III (Repositioning from Range 13 to Range 14)
- NURSING ASSISTANT I (Repositioning from Range 57B to Range 9)
- NURSING ASSISTANT II (Repositioning from Range 60B to Range 12)
- DEVELOPMENTAL ASSISTANT I (Repositioning from Range 57 to Range 9)
- DEVELOPMENTAL ASSISTANT II (Repositioning from Range 60 to Range 12)
- DEVELOPMENTAL ASSISTANT III (Repositioning from Range 13 to Range 14)

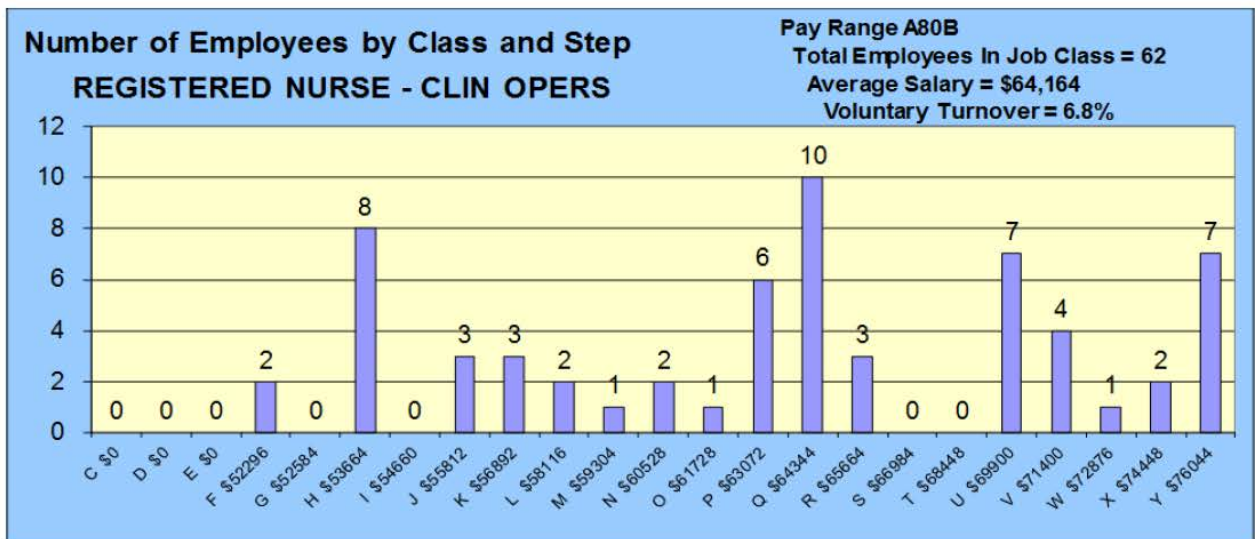
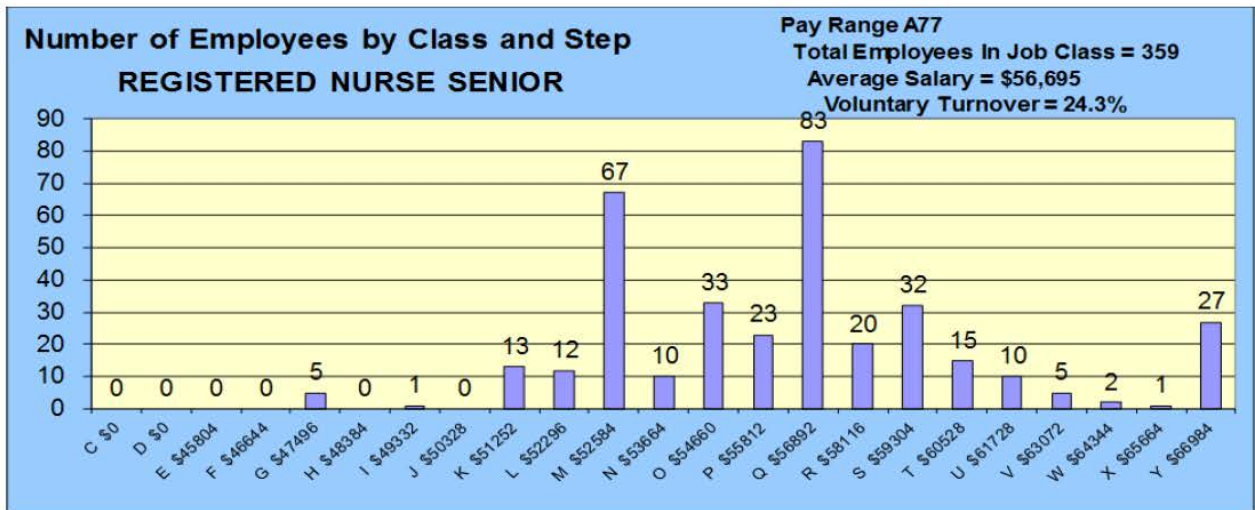
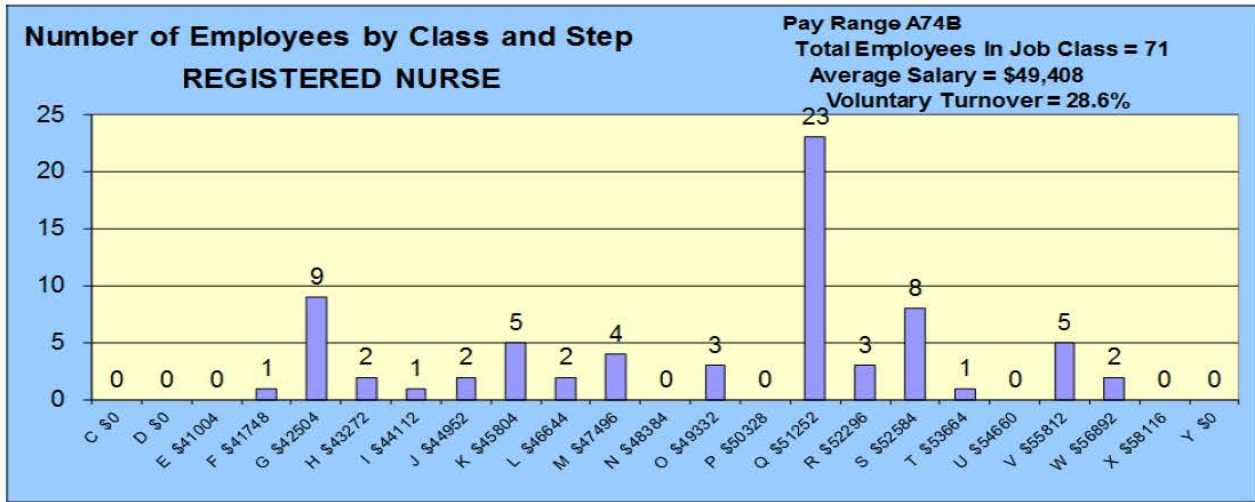
A one range repositioning is recommended for the Licensed Behavior Analyst, Psychologist I, and Psychologist II job classes. The minimum qualifications for a Licensed Behavior Analyst require completion of an extensive certification process in order to obtain the necessary license, which includes a Master’s degree, to become a Board Certified Behavior Analyst. Recruitment for Licensed Behavior Analysts is a challenge nation-wide due to the small applicant pool. There are ten employees in this class, and all are currently paid at the top of their salary range.

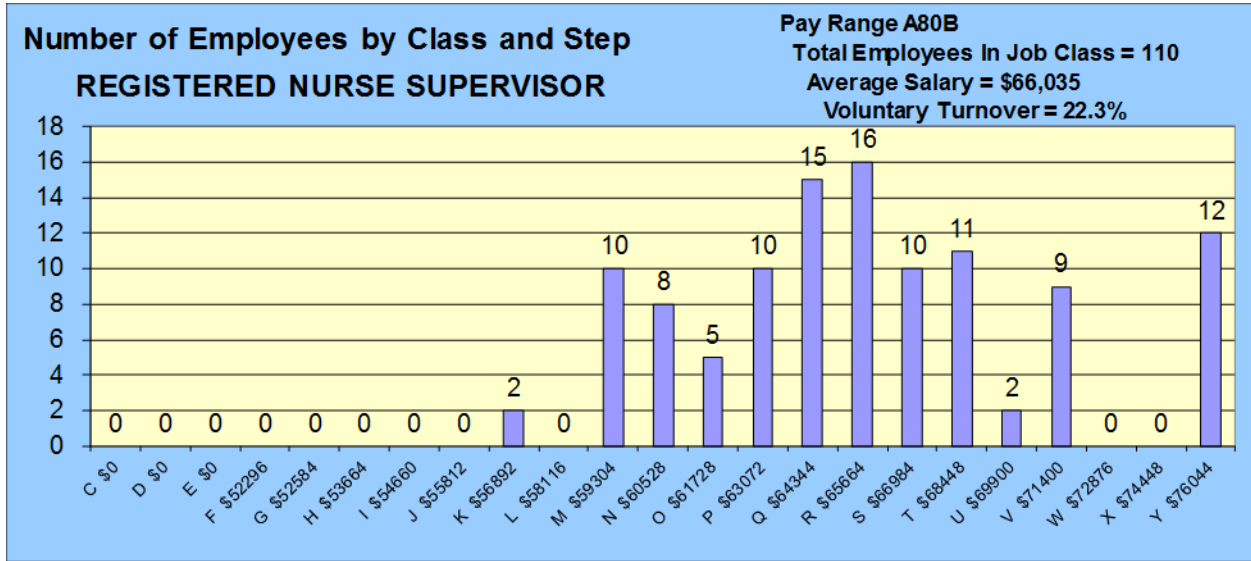


The minimum qualifications for Psychologist I and Psychologist II also require licensure, which includes a doctoral degree and completion of at least one year of post-doctoral psychology experience under the supervision of a licensed psychologist. Few, if any, other State job classifications require a doctorate and do not allow work experience to substitute for education. The Department of Mental Health (DMH) has expressed concern about their increasing inability to fill vacancies with recruitment and retention being hampered by the wage levels for these job classes. There are approximately forty-two total employees in the Psychologist I and Psychologist II classes, and their salaries are toward the top of the respective salary ranges.

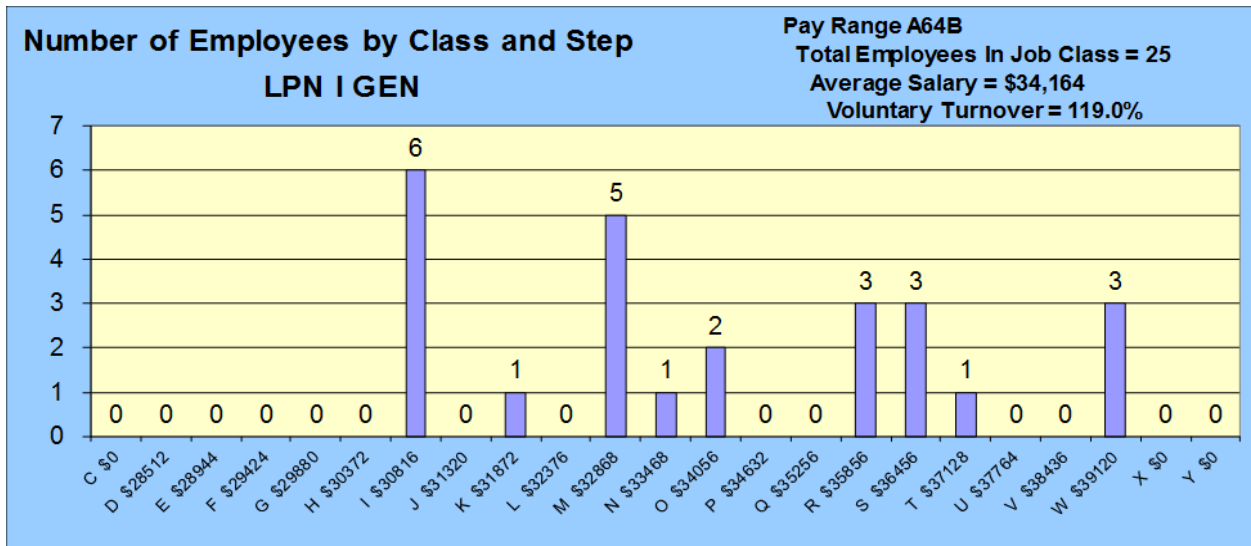


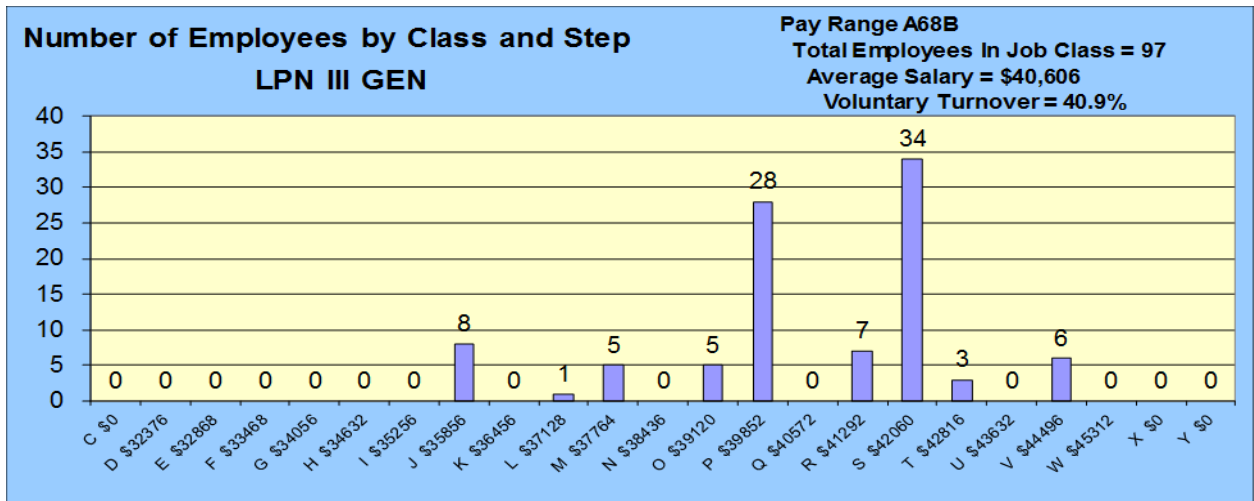
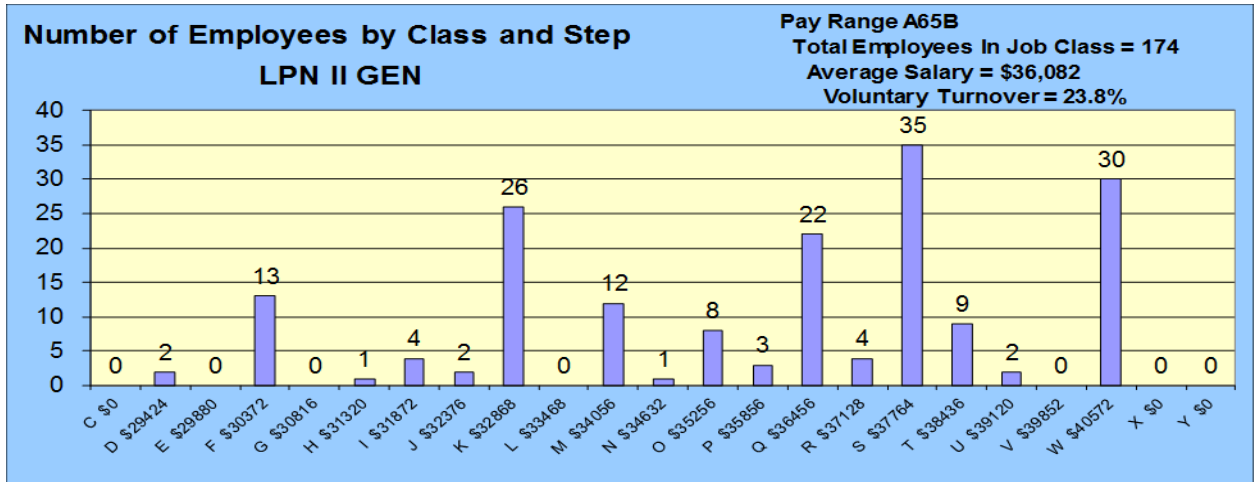
The FY 2018 Pay Plan Recommendations included a proposal to create a new classification series for registered nurses whose primary patient population consists of those with behavioral health issues at DMH facilities. Although DMH continues to advocate this approach, feedback received from the Missouri Veterans Commission (MVC) supports an alternative direction this year. The Board supports repositioning all registered nurse classes and providing a four percent increase for Registered Nurse Managers. During FY2014 and FY2015, funding was appropriated for repositioning the registered nurse classes to accommodate class specific salary increases requiring new or adjusted ranges be developed. Therefore, in recommending salary increases for these classes it is also recommended to move them back to pre-FY2014 ranges on UCP Pay Grid A. This approach would result in pay increases for employees in these classes that range from 3.41% to 6%.



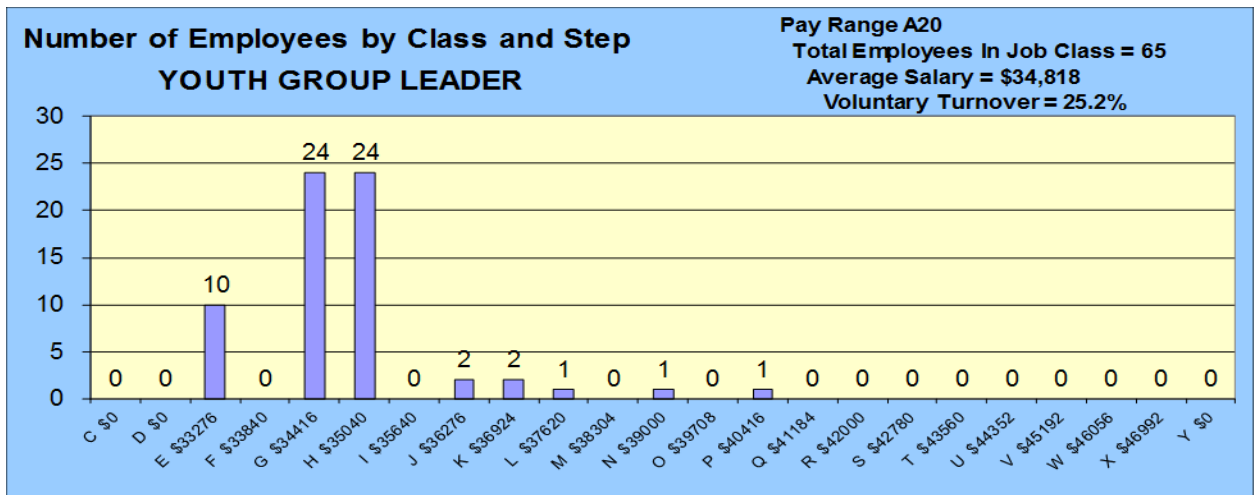


Due to the very high turnover rate, and support from MVC and DMH to consider the Licensed Practical Nurses (General) I, II & III for salary increases, the Board proposes to reposition these classes. Similar to the registered nurse series, during FY2014, the appropriated six percent salary increase specific to the Licensed Practical Nurses (General) series required new, fabricated ranges to be developed to accommodate these increases. The Board also recommends moving the LPN job classes back to pre-FY2014 ranges on UCP Pay Grid A.

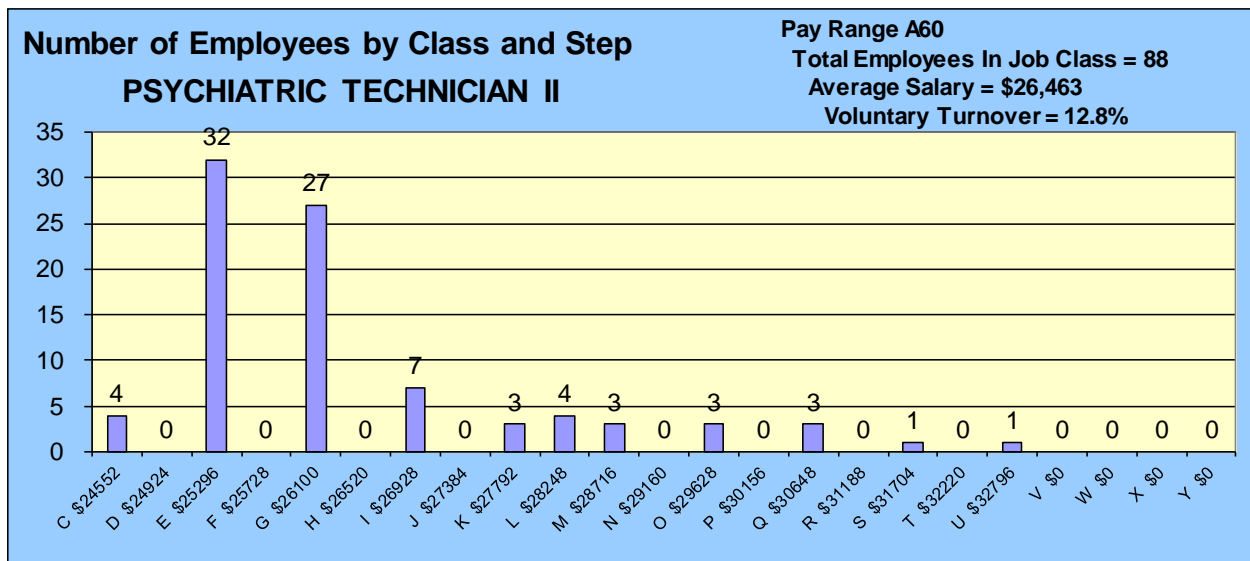
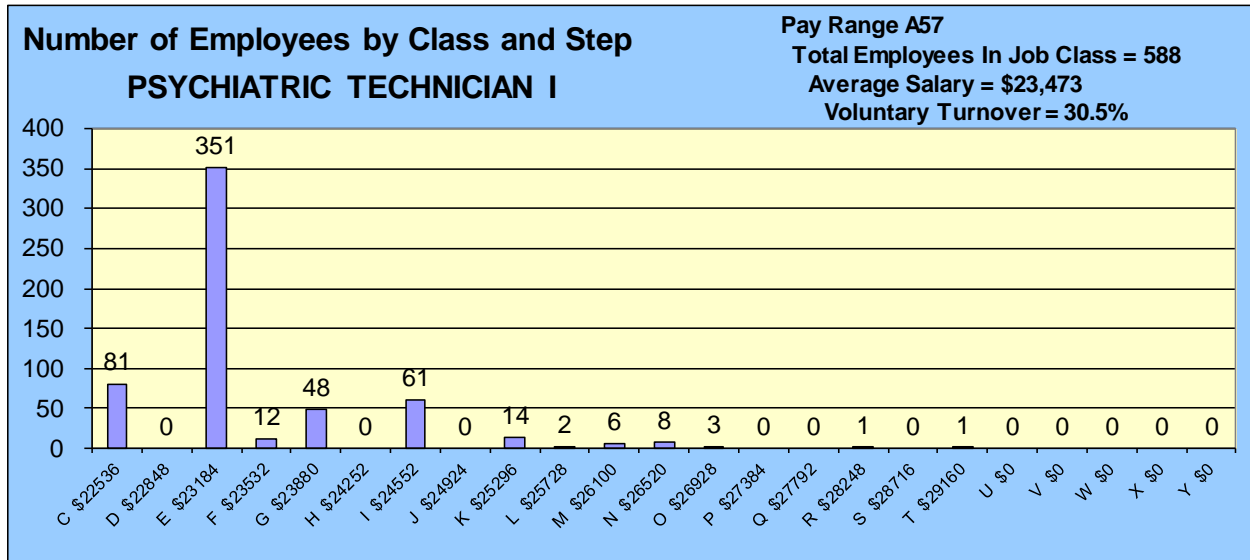




As proposed by the Department of Social Services, for the Youth Group Leader job class, the Board recommends a one range repositioning of this job class.

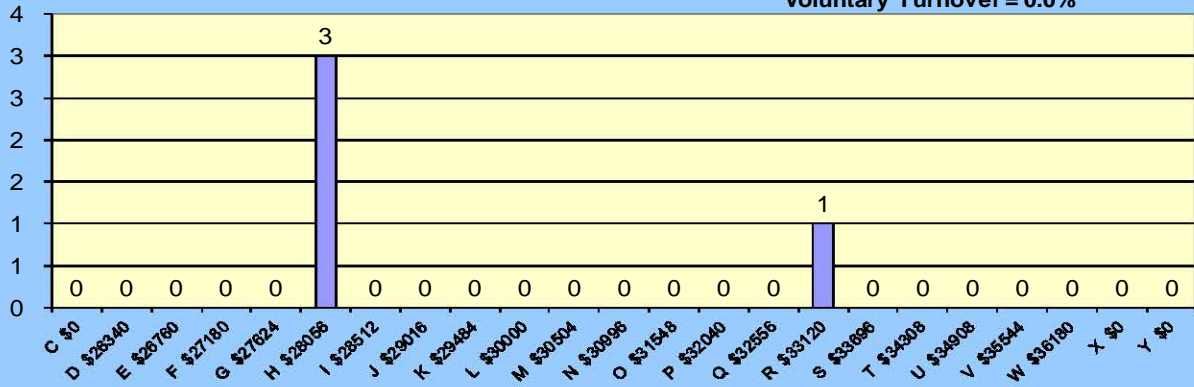


Following last year's recommendation, repositioning is again recommended for the Psychiatric Technician I, II, and III; Nursing Assistant I and II; and Developmental Assistant I, II and III job classes. During FY2014, funding was appropriated for repositioning some of these classes to accommodate a four or six percent salary increase, requiring new, fabricated ranges to be developed to accommodate these job class-specific increases. Therefore, in recommending salary increases for these classes, it is also recommended that they be moved back to pre-FY2014 ranges on UCP Pay Grid A. A one range repositioning is recommended for the Psychiatric Technician III and Developmental Assistant III job classes.



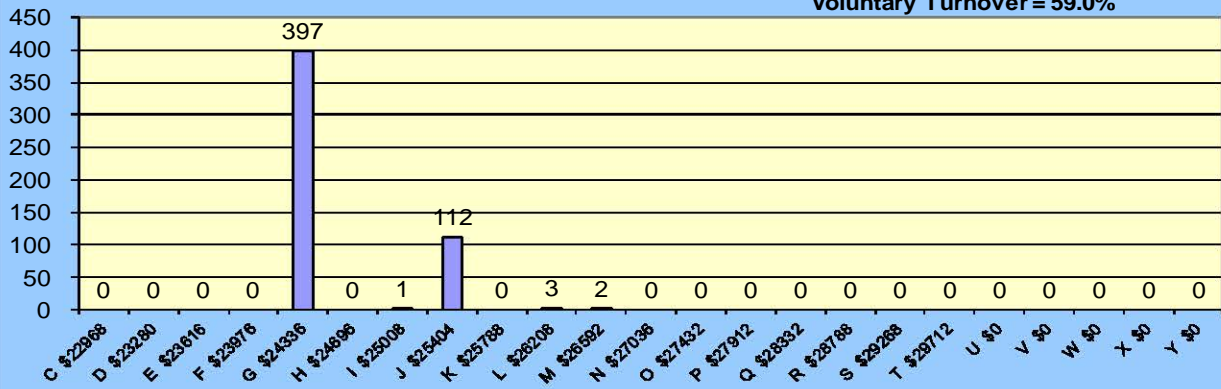
Number of Employees by Class and Step
PSYCHIATRIC TECHNICIAN III

Pay Range A13
 Total Employees In Job Class = 4
 Average Salary = \$29,322
 Voluntary Turnover = 0.0%



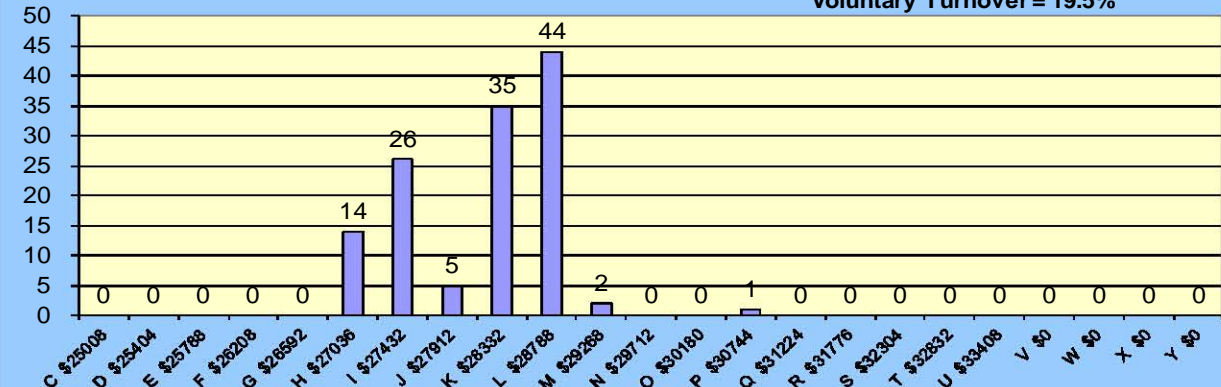
Number of Employees by Class and Step
NURSING ASST I

Pay Range A57B
 Total Employees In Job Class = 515
 Average Salary = \$24,589
 Voluntary Turnover = 59.0%



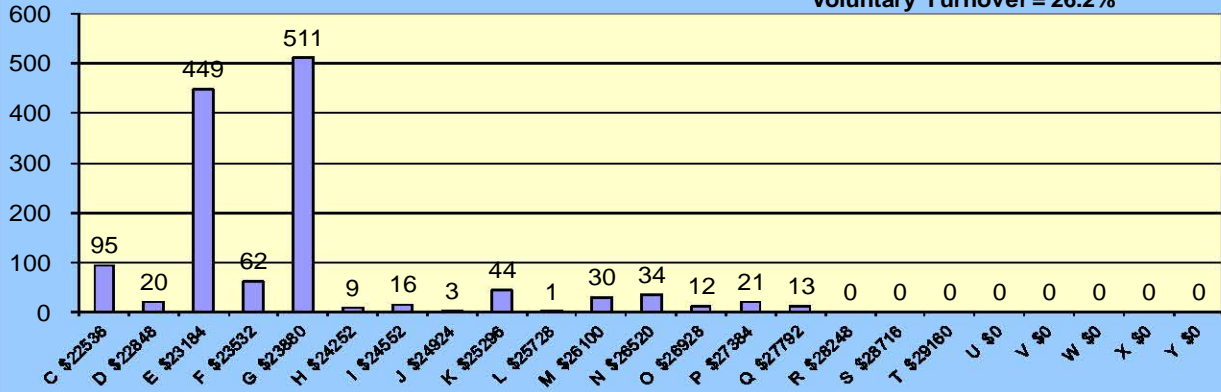
Number of Employees by Class and Step
NURSING ASST II

Pay Range A60B
 Total Employees In Job Class = 127
 Average Salary = \$28,180
 Voluntary Turnover = 19.5%



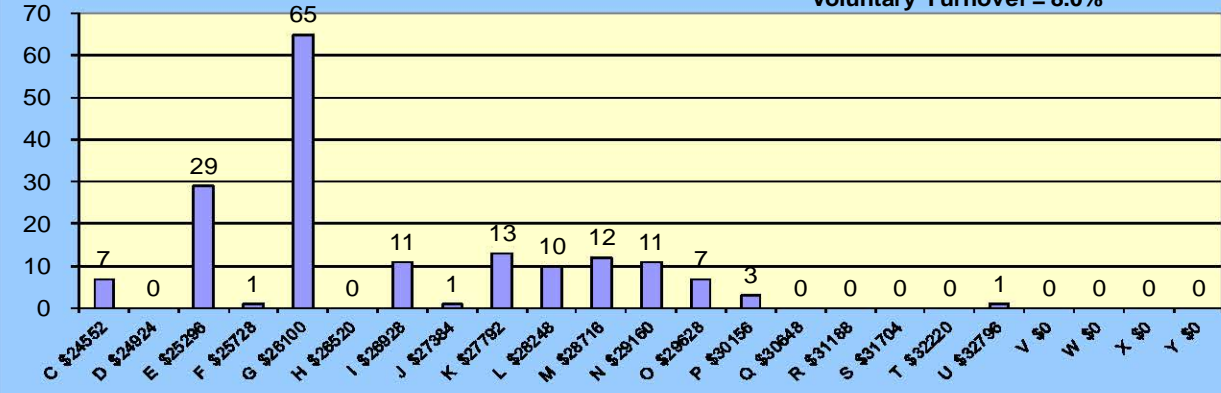
Number of Employees by Class and Step
DEVELOPMENTAL ASST I

Pay Range A57
 Total Employees In Job Class = 1320
 Average Salary = \$23,817
 Voluntary Turnover = 26.2%



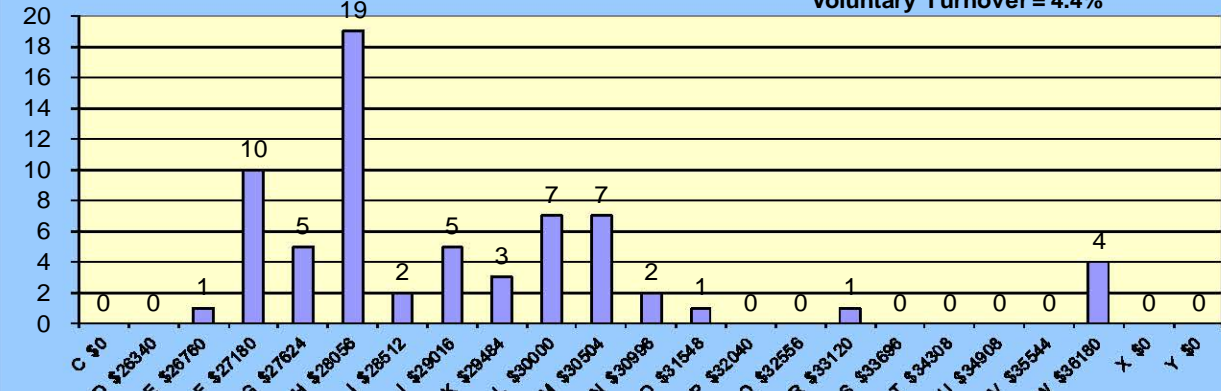
Number of Employees by Class and Step
DEVELOPMENTAL ASST II

Pay Range A60
 Total Employees In Job Class = 171
 Average Salary = \$26,848
 Voluntary Turnover = 8.0%



Number of Employees by Class and Step
DEVELOPMENTAL ASST III

Pay Range A13
 Total Employees In Job Class = 67
 Average Salary = \$29,182
 Voluntary Turnover = 4.4%

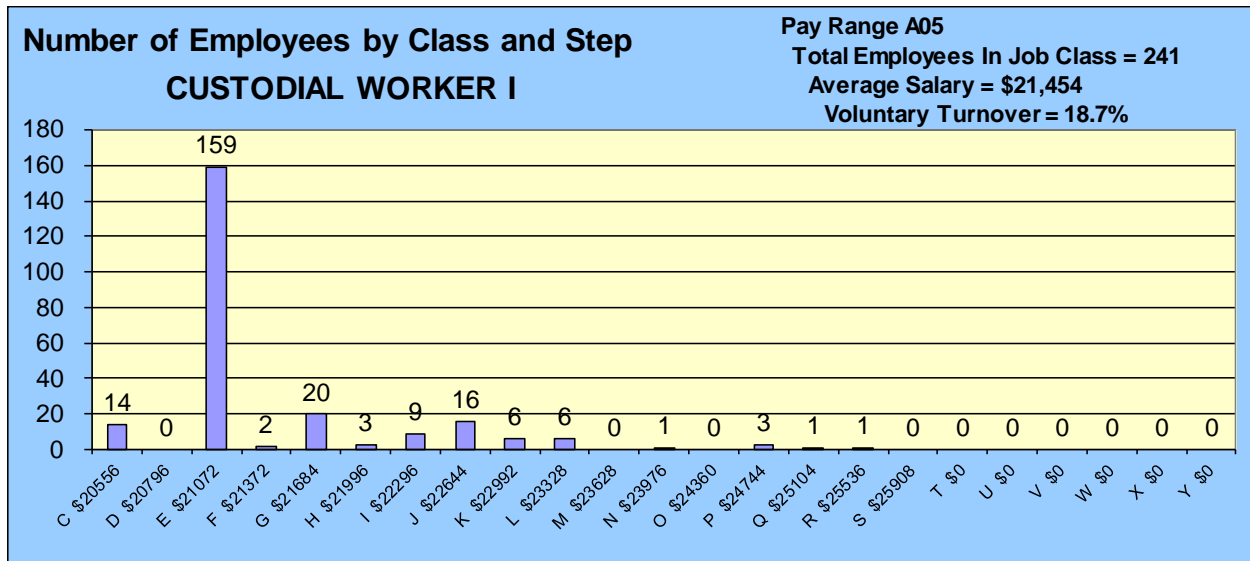


Targeted Within-Grade Salary Advancements

Targeted within-grade (WIG) salary advancements are another tool to use in cases where a significant pay gap may occur, but the salary range appears appropriate for the job class. Targeted WIGs can be used to help address recruitment challenges, turnover issues and class-specific pay compression.

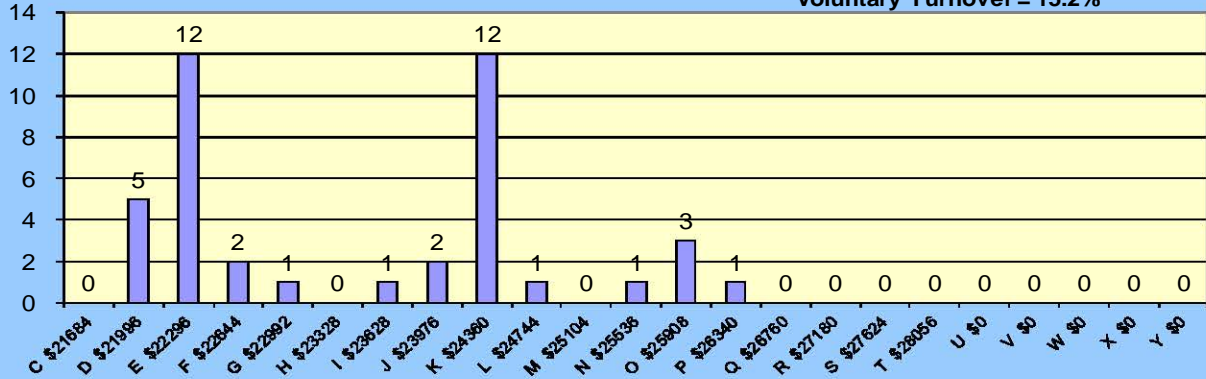
After evaluating input from key stakeholders, ten job classes are recommended for a two-step targeted WIG increase.

- CUSTODIAL WORKER I
- CUSTODIAL WORKER II
- CUSTODIAL WORK SUPERVISOR
- FOOD SERVICE HELPER I
- FOOD SERVICE HELPER II
- ASSOCIATE PUBLIC HEALTH LABORATORY SCIENTIST
- PUBLIC HEALTH LABORATORY SCIENTIST
- SENIOR PUBLIC HEALTH LABORATORY SCIENTIST
- ADULT PROTECTIVE AND COMMUNITY WORKER I
- ADULT PROTECTIVE AND COMMUNITY WORKER II



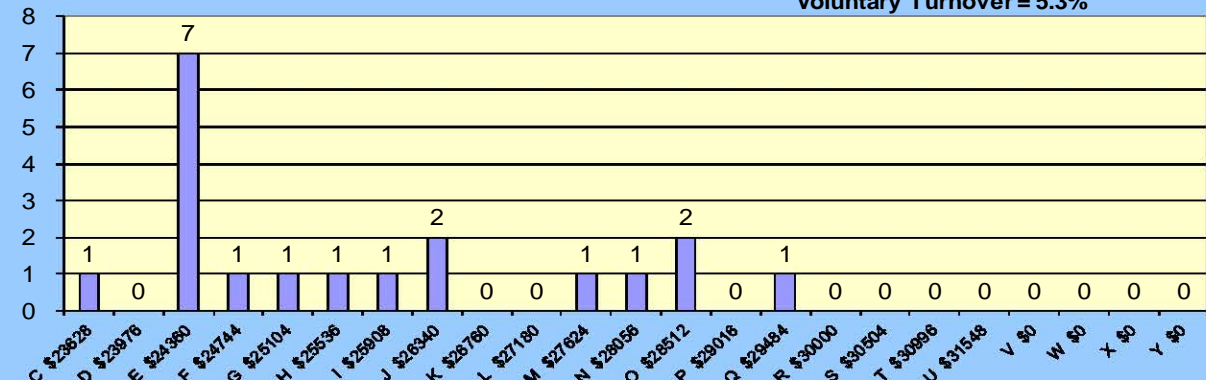
Number of Employees by Class and Step
CUSTODIAL WORKER II

Pay Range A07
 Total Employees In Job Class = 41
 Average Salary = \$23,514
 Voluntary Turnover = 15.2%



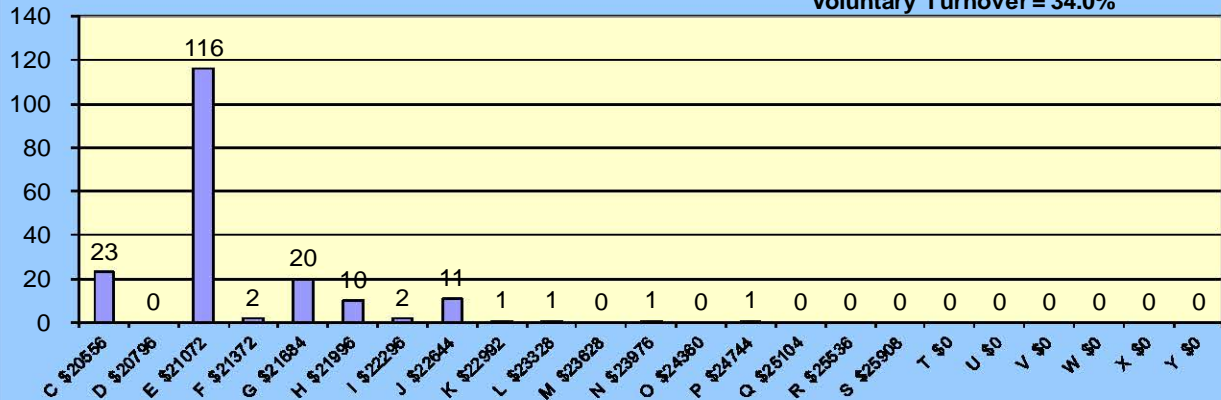
Number of Employees by Class and Step
CUSTODIAL WORK SPV

Pay Range A10
 Total Employees In Job Class = 19
 Average Salary = \$25,806
 Voluntary Turnover = 5.3%



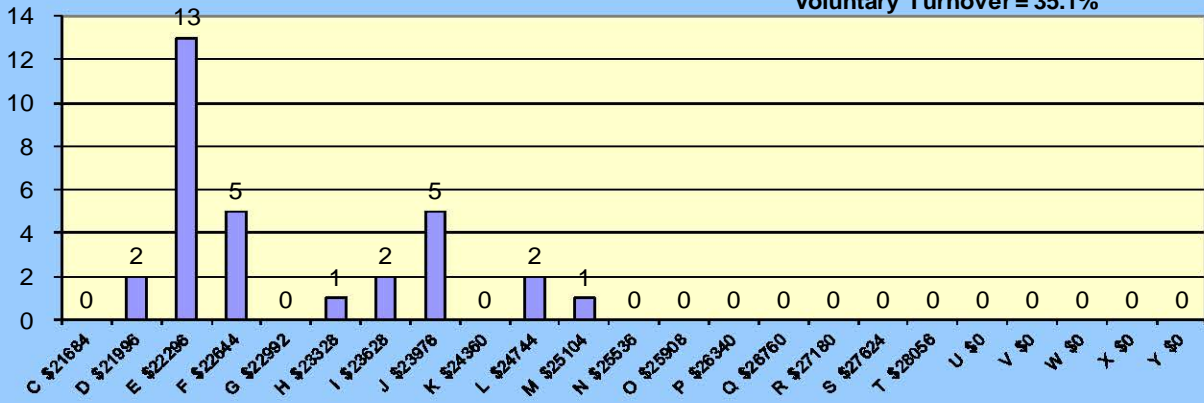
Number of Employees by Class and Step
FOOD SERVICE HELPER I

Pay Range A05
 Total Employees In Job Class = 188
 Average Salary = \$21,289
 Voluntary Turnover = 34.0%



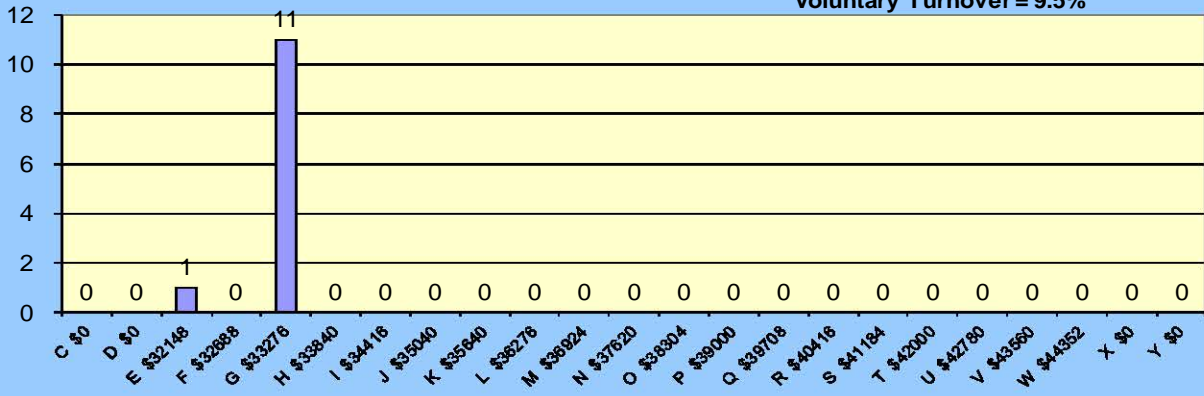
Number of Employees by Class and Step
FOOD SERVICE HELPER II

Pay Range A07
 Total Employees In Job Class = 31
 Average Salary = \$22,971
 Voluntary Turnover = 35.1%



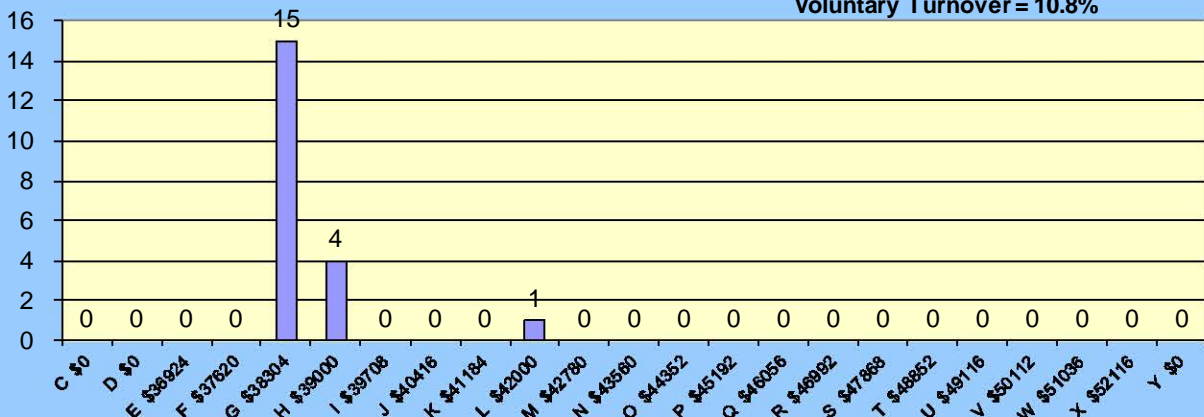
Number of Employees by Class and Step
ASSOC PUBLIC HLTH LAB SCIENTST

Pay Range A19
 Total Employees In Job Class = 12
 Average Salary = \$33,182
 Voluntary Turnover = 9.5%



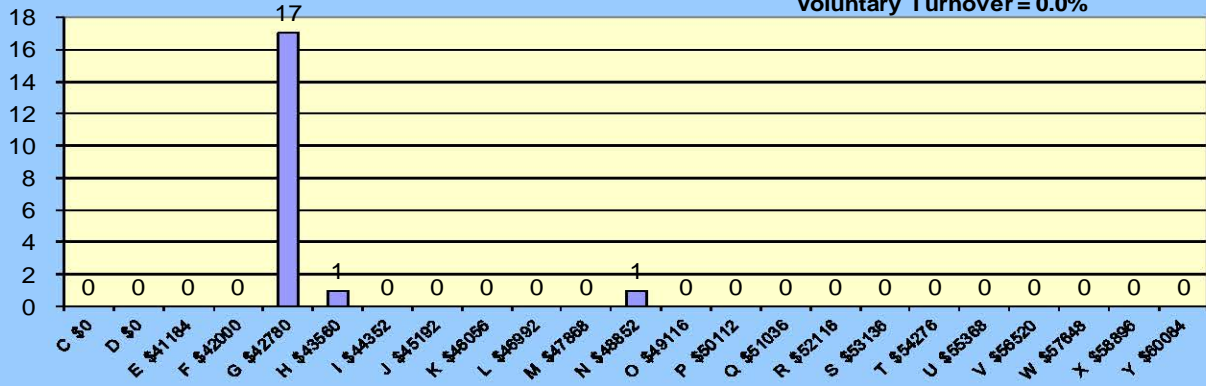
Number of Employees by Class and Step
PUBLIC HEALTH LAB SCIENTIST

Pay Range A23
 Total Employees In Job Class = 20
 Average Salary = \$38,628
 Voluntary Turnover = 10.8%



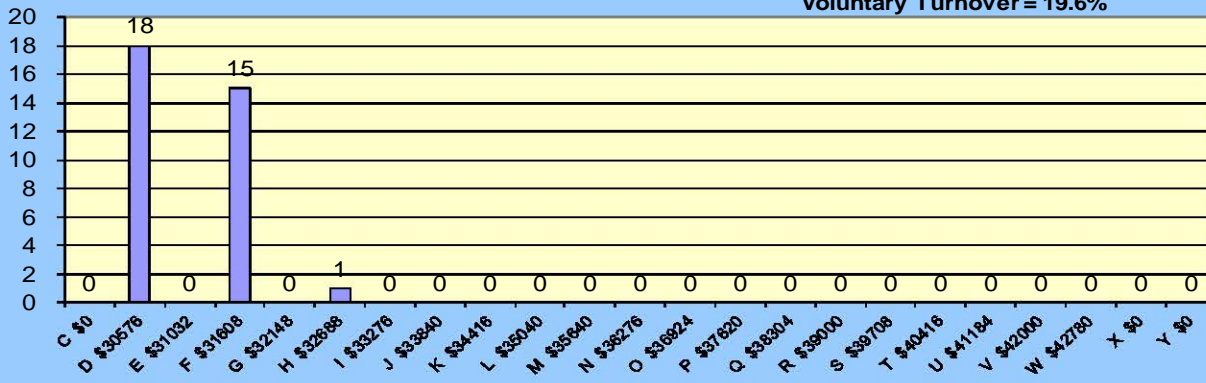
Number of Employees by Class and Step
SENIOR PUBLIC HLTH LAB SCINTST

Pay Range A26
 Total Employees In Job Class = 19
 Average Salary = \$43,141
 Voluntary Turnover = 0.0%



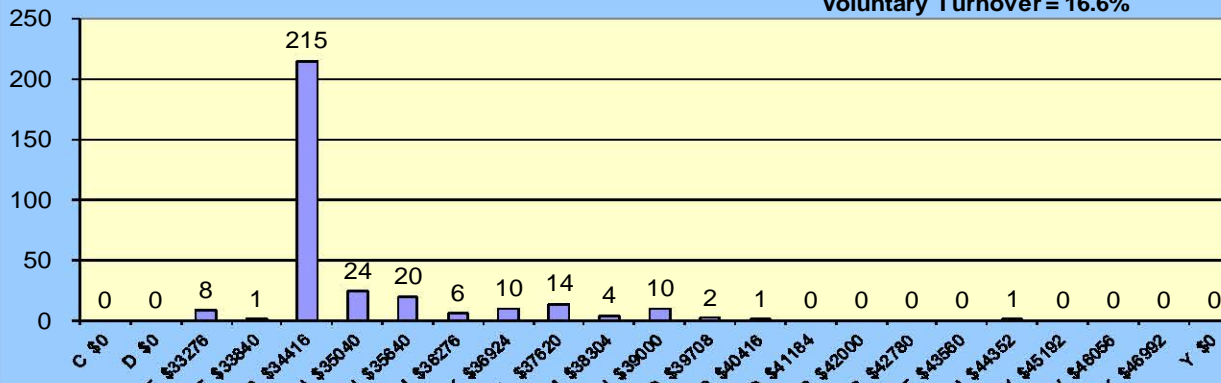
Number of Employees by Class and Step
ADLT PROT & CMTY WKR I

Pay Range A18
 Total Employees In Job Class = 34
 Average Salary = \$31,093
 Voluntary Turnover = 19.6%



Number of Employees by Class and Step
ADLT PROT & CMTY WKR II

Pay Range A20
 Total Employees In Job Class = 316
 Average Salary = \$35,045
 Voluntary Turnover = 16.6%



Differentials

DMH has requested a security differential for registered nurse classes working in maximum security and intermediate security areas. In this particular case, the differential is based on working in secured areas.

SECURITY DIFFERENTIAL (Total Differentials of 15% (Maximum Security) and 12% (Intermediate Security) for Department of Mental Health)

These differentials are designed to help recruitment and retention at the maximum and intermediate security facilities.

A security differential for registered nurse positions assigned in maximum and intermediate security units at DMH is recommended. This recommendation would result in the augmentation of security differentials established in FY2015 or the establishment of new security differentials. The end goal of this recommendation is to reach targeted levels for both the maximum security registered nurse differential (15%) and the intermediate security registered nurse differential (12%).

Positions in the following job classes, assigned to security areas as mentioned above, are recommended to receive the appropriate differential:

- Registered Nurse
- Registered Nurse Senior
- Registered Nurse Supervisor
- Registered Nurse-Clinical Operations
- Registered Nurse Manager

CRISIS UNIT SECURITY DIFFERENTIAL (10% for Department of Mental Health, Division of Developmental Disabilities)

A new security differential was proposed by DMH and is supported by the Board. This differential would be provided to professional nursing staff (registered nurses) that work in crisis units within the Division of Developmental Disabilities. These crisis units work with clients that oftentimes have a dual diagnosis involving behavioral problems that presents unique challenges for staff. These clients may act out more frequently and may become violent. The Board supports the recommended 10% differential for these staff. At this point, there are minimal staff that would receive the proposed differential. The DMH estimates a cost of \$12,000 for FY2019 for implementation of this differential. There is potential that there could be a minimal number of additional staff that could be eligible for this differential in the future.

Total Estimated Cost of Suggested Within-Grade Salary Advancements, General Structure Adjustment, Repositioning, Proposed Registered Nurse Series & Differentials - Based on June 15, 2017 Salaries

UNIFORM CLASSIFICATION & PAY SYSTEM

Pay Plan Element	General Revenue	Non-General Revenue	Total	Percentage of Total Personal Services
Within-Grade Increase, Merit Based	\$7,708,248	\$6,389,074	\$14,097,322	1.0%
Within-Grade Increase, Traditional	\$13,181,105	\$10,925,317	\$24,106,421	1.7%
Within-Grade Increase, 7 Plus Years of Service	\$8,016,578	\$6,644,637	\$14,661,215	1.0%
General Structure Adjustment (2.9%)	\$22,353,920	\$18,528,315	\$40,882,235	2.9%
Repositioning	\$2,056,168	\$1,358,930	\$3,415,098	
Targeted Within-Grade Increase	\$325,691	\$509,185	\$834,876	
Registered Nurse Managers Increase (4%)	\$111,830	\$44,313	\$156,143	
Differentials	\$377,806	\$149,707	\$527,513	
Total UCP System Agencies, Salary Only	\$46,423,098	\$38,160,404	\$84,583,502	
Benefits (31.18%)	\$14,474,722	\$11,898,414	\$26,373,136	
Total UCP System Agencies, Salary plus Benefits	\$60,897,819	\$50,058,818	\$110,956,637	

NON-UCP SYSTEM AGENCIES

Pay Plan Element	General Revenue	Non-General Revenue	Total	Percentage of Total Personal Services
Within-Grade Increase, Merit Based	\$3,014,183	\$5,373,374	\$8,387,557	1.0%
Within-Grade Increase, Traditional	\$5,154,253	\$9,188,470	\$14,342,723	1.7%
Within-Grade Increase, 7 Plus Years of Service	\$3,134,750	\$5,588,309	\$8,723,060	1.0%
General Structure Adjustment (2.9%)	\$8,741,131	\$15,582,786	\$24,323,917	2.9%
Repositioning	\$0	\$0	\$0	
Targeted Within-Grade Increase	\$0	\$0	\$0	
Registered Nurse Managers Increase (4%)	\$0	\$0	\$0	
Differentials	\$0	\$0	\$0	
Total Non-UCP System Agencies, Salary Only	\$17,030,134	\$30,359,565	\$47,389,700	
Benefits (31.18%)	\$5,309,996	\$9,466,113	\$14,776,108	
Total Non-UCP System Agencies, Salary plus Benefits	\$22,340,130	\$39,825,678	\$62,165,808	

ALL AGENCIES

Pay Plan Element	General Revenue	Non-General Revenue	Total	Percentage of Total Personal Services
Within-Grade Increase, Merit Based	\$10,722,431	\$11,762,449	\$22,484,880	1.0%
Within-Grade Increase, Traditional	\$18,335,357	\$20,113,787	\$38,449,145	1.7%
Within-Grade Increase, 7 Plus Years of Service	\$11,151,329	\$12,232,947	\$23,384,275	1.0%
General Structure Adjustment (2.9%)	\$31,095,051	\$34,111,101	\$65,206,152	2.9%
Repositioning	\$2,056,168	\$1,358,930	\$3,415,098	
Targeted Within-Grade Increase	\$325,691	\$509,185	\$834,876	
Registered Nurse Managers Increase (4%)	\$111,830	\$44,313	\$156,143	
Differentials	\$377,806	\$149,707	\$527,513	
Total All Agencies, Salary Only	\$63,453,232	\$68,519,970	\$131,973,201	
Benefits (31.18%)	\$19,784,718	\$21,364,526	\$41,149,244	
Total All Agencies, Salary plus Benefits	\$83,237,949	\$89,884,496	\$173,122,445	